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Benefits outweigh taxes for households

Released 20/06/2018

Source: [Government Benefits, Taxes and Household Income, Australia, 2015-16 financial year](#)

Australian households received, on average, \$76 more a week in government benefits – both cash and in kind – than they paid in taxes in 2015-16, an Australian Bureau of Statistics (ABS) report released today has found.

ABS Chief Economist Bruce Hockman said, "This study provides the ABS's most extensive measure of income which illustrates the redistributive effects of government benefits and taxes.

"This report, Government Benefits, Taxes and Household Income, Australia, 2015-16, found that once you adjust for the size and make-up of the household, the poorest 20 per cent of the population earned 3 per cent of all private incomes. After receiving benefits and paying taxes, their share of income increased to 13 per cent."

Mr Hockman explained that the 'final income' of households was calculated after adding government benefits to private incomes and deducting all taxes. Benefits covered those provided in cash, such as pensions, and in kind, such as education and health services, while taxes included income tax, GST and other indirect taxes.

For the richest 20 per cent, the government benefits and tax system had the opposite effect, with these households generally receiving fewer benefits and paying more in taxes. Overall, the share of private income for the richest group was 47 per cent, which reduced to a 35 per cent share after benefits and taxes.

Across the states and territories, households in Tasmania received the most benefit after taxes, at \$360 on average per week. In aggregate, households in the ACT did not receive a benefit after tax, instead paying, on average, \$79 more in taxes than benefits received.

Further details can be found in [Government Benefits, Taxes and Household Income \(https://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/6537.0\)](#) (cat. no. 6537.0), available for free download from the ABS website <http://www.abs.gov.au> (<https://www.abs.gov.au>).



Media notes

- Private income is the sum of all income earned with the exception of Australian government pensions and allowances. In addition to sources such as wages and salaries, businesses, investments and superannuation, an estimate of imputed rent is included, which is the value of housing services received from home ownership or by paying subsidised rent.
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